



INTERIM FINANCIAL STATEMENTS
For the 03 months ended 31st March 2012

Rupees in Thousands

Summarised Income Statement			
	Current Period	Previous Period	Change
	From 01/01/12 To 31/03/12	From 01/01/11 To 31/03/11	%
Interest Income	1,424,073	939,880	52
Interest Income on Loans and Advances	1,321,138	801,300	65
Interest Income on Other Interest Earning Assets	102,935	138,580	(26)
Less: Interest Expenses	819,926	432,799	89
Interest Expense on Deposits	761,975	375,444	103
Interest Expense on Other Interest Bearing Liabilities	57,951	57,355	1
Net Interest Income	604,147	507,081	19
Non - Interest Income	219,500	215,703	2
Foreign Exchange Income	73,980	41,664	78
Other Income	145,520	174,039	(16)
Less: Non - Interest Expenses	443,303	326,841	36
Personnel Costs	205,594	136,484	51
Provision for Staff Retirement Benefits	5,803	3,818	52
Premises, Equipment and Establishment Expenses	130,125	93,085	40
Loss on Trading / Investment Securities	-	-	-
Other Operating Expenses	101,781	93,454	9
Less: Provision for Bad and Doubtful Debts and Loans Written Off	21,892	11,954	83
Provisions - General	16,136	13,167	23
Provisions - Specific	10,627	14,623	(27)
Recoveries (-)	(4,194)	(15,836)	(74)
Loans Written Off / (Recovered)	(677)	-	100
Less: Provision for Decline in Value of Investments (Net)	-	-	-
Operating Profit on Ordinary Activities Before Taxes	358,452	383,989	(7)
Less: Value Added Tax on Financial Services	53,821	50,131	7
Operating Profit on Ordinary Activities Before Corporate Tax	304,631	333,858	(9)
Share of Subsidiaries/Associate Companies' Profit	-	-	-
Operating Profit Before Corporate Tax	304,631	333,858	(9)
Less: Tax on Profits on Ordinary Activities	108,086	137,838	(22)
Operating Profit for the Period	196,545	196,020	0
Basic Earnings Per Share (Rs.)	0.67	0.66	0

Rupees in Thousands			
Summarised Balance Sheet			
	Current Period As at 31/03/2012	Previous Period As at 31/12/2011 Audited	Change %
On-Balance Sheet Assets			
Cash in Hand	1,022,077	932,762	10
Balances with Central Bank of Sri Lanka / Other Central Banks	3,528,940	2,870,259	23
Due from Banks and Other Financial Institutions	1,766,276	1,842,908	(4)
Investments - Trading Account	13,407	181,579	(93)
Government Securities	190	165,128	(100)
Other Securities	13,217	16,451	(20)
Investments - Held-to-Maturity (Net of provisions made for decline in investment value) (Excluding Investments in Associates and Subsidiaries)	4,572,020	5,523,455	(17)
Government Securities	4,557,054	5,509,924	(17)
Other Securities	14,966	13,531	11
Investments in Associates and Subsidiaries	-	-	-
Total Loans and Advances			
Total Performing Loans and Advances	35,398,301	33,222,060	7
Bills of Exchange	197,951	232,733	(15)
Overdrafts	10,500,936	9,625,272	9
Lease Rentals Receivable	3,071,160	2,935,549	5
Other Loans	21,628,254	20,428,506	6
Total Non-performing Loans and Advances	2,675,772	2,599,322	3
Bills of Exchange	30,751	30,751	-
Overdrafts	1,131,679	926,316	22
Lease Rentals Receivable	41,335	48,155	(14)
Other Loans	783,733	880,402	(11)
Interest Receivables	688,274	713,698	(4)
Total Gross Loans and Advances	38,074,073	35,821,382	6
Less:			
Suspended Interest	1,394,410	1,363,896	2
Specific Loan Loss Provisions	341,051	445,928	(24)
General Loan Loss Provisions	118,434	102,183	16
Net Loans and Advances	36,220,178	33,909,375	7
Other Assets	536,232	632,912	(15)
Intangible Assets	52,313	52,152	0
Investment Properties	-	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	1,059,553	1,008,774	5
Total On Balance Sheet Assets	48,770,996	46,954,176	4
On-Balance Sheet Liabilities			
Total Deposits	40,006,144	35,532,462	13
Demand Deposits	3,794,115	3,826,492	(1)
Savings Accounts	5,773,326	5,919,287	(2)
Time Deposits	29,880,356	25,095,347	19
Margin Deposits	548,492	691,336	(21)
Other Deposits	9,855	-	100
Total Borrowings	2,049,383	4,908,911	(58)
Borrowings from CBSL	2,550	2,550	-
Borrowings from Banks and Financial Institutions in Sri Lanka	-	1,383,458	(100)
Borrowings from Banks and Financial Institutions Abroad	90,321	979	9,126
Securities sold under Repurchase Agreements	1,206,512	3,521,924	(66)
Subordinated Term Debts	750,000	-	100
Other Borrowings	-	-	-
Deferred Taxation	151,772	142,698	6
Current Taxation	246,826	223,539	10
Other Liabilities	2,807,338	2,538,538	11
Total On Balance Sheet Liabilities	45,261,463	43,346,148	4
Minority Interest	-	-	-
Equity Capital and Reserves	3,509,533	3,608,028	(3)
Stated Capital (295,041,086 Ordinary Shares)	1,548,966	1,548,966	-
Statutory Reserve Fund	121,128	121,128	-
Total Other Reserves	1,839,439	1,937,934	(5)
Total On-Balance Sheet Liabilities and Equity Capital and Reserves	48,770,996	46,954,176	4
Off-Balance Sheet Items and Contra Accounts	12,404,199	13,786,933	(10)
Contingencies	10,395,399	10,845,883	(4)
Commitments and Contra Accounts	2,008,800	2,941,050	-
Net Asset Value per Share (Rs.)	11.90	12.23	(3)
Memorandum Information			
Number of Employees	1,112	1,096	
Number of Branches	68	64	

Rupees in Thousands

Statement of Changes In Equity and Reserves - BANK											
For the Period Ended (31/03/2012)	Stated Capital					Reserves					
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Cumulative Redeemable Preference Shares	Assigned Capital	Share Premium	Reserve Fund	Revaluation Reserve	General Reserve	Other Reserve	Income Statement	Total
Balance as at 01/01/2011	1,548,966	-	-	-	-	79,927	1,812	-	-	1,153,311	2,784,016
Issue of Share/Increase of Assigned Capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Property, Plant & Equip	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	-	-	196,020	196,020
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	33,421	(33,421)	-
Balance as at 31/03/2011	1,548,966	-	-	-	-	79,927	1,812	-	33,421	1,315,910	2,980,036
Balance as at 01/01/2012	1,548,966	-	-	-	-	121,128	1,273	-	161,747	1,774,915	3,608,029
Issue of Share/Increase of Assigned Capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Property, Plant & Equip	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	-	-	196,545	196,545
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Final Dividend 2011	-	-	-	-	-	-	-	-	-	(295,041)	(295,041)
Others	-	-	-	-	-	-	-	-	46,231	(46,231)	-
Balance as at 31/03/2012	1,548,966	-	-	-	-	121,128	1,273	-	207,978	1,630,188	3,509,533

* Number of Ordinary Shares as at 31st March 2012, Voting -295,041,086

Cash Flow Statement

	From 01/01/12 To 31/03/12	From 01/01/11 To 31/03/11
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	1,368,442	1,050,747
Fees & Commission Received	148,265	143,393
Interest Payments	(704,962)	(349,480)
Exchange Income	73,980	41,664
Cash Payments to Employees & Suppliers	(312,364)	(213,062)
Payments on Other Operating Activities	(155,603)	(143,536)
Operating Profit before changes in Operating Assets	417,758	529,726
(Increase)/Decrease in Operating Assets		
Bills of Exchange	(482,914)	(110,495)
Loans and Advances	(1,672,489)	(3,858,320)
Other Assets	59,888	(146,849)
Lease Rentals Receivable	(560,217)	(372,797)
Treasury Bills / Bonds / Reverse Repos	1,457,984	1,436,208
	(779,990)	(2,522,527)
Increase/(Decrease) in Operating Liabilities		
Deposits	4,473,682	4,753,510
Other Liabilities	(141,205)	196,868
Borrowings	(3,698,870)	(1,916,413)
Net Cash (used in) / from Operating Activities before Income Tax	(146,383)	511,438
Taxation Paid	(75,725)	(59,359)
Net Cash (used in) / from Operating Activities	(222,108)	452,079
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in Securities	(312,121)	(225,291)
Purchase of Property, Plant & Equipment	(77,509)	(25,677)
Acquisition of Intangible Assets	(2,590)	(458)
Proceeds from Sale of Property, Plant & Equipment	-	116
Net Cash used in Investing Activities	(392,220)	(251,310)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Debentures	750,000	-
Net Cash from Financing Activities	750,000	-
Net Increase/(Decrease) in Cash and Cash Equivalents	135,672	200,769
Cash and Cash Equivalents at the beginning of the period	4,679,597	2,100,362
Cash and Cash Equivalents at the end of the period	4,815,269	2,301,131
Reconciliation of Cash & Cash Equivalents		
Cash & Short Term Funds	1,927,616	919,584
Balances with Central Bank of Sri Lanka	2,977,974	1,485,248
Due to Foreign Banks	(90,321)	(103,701)
	4,815,269	2,301,131

Selected Performance Indicators		
	Current Period As at 31/03/12	Previous Period As at 31/12/11 Audited
Regulatory Capital Adequacy	Bank	
Core Capital (Tier 1 Capital), Rs. Mn	3,312	3,607
Total Capital Base, Rs. Mn	4,180	3,709
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	11.24%	13.66%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	14.19%	14.04%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (Without Interest in Suspense)	3.43%	3.58%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	2.20%	1.99%
Profitability (Annualized)		
Interest Margin, %	5.12%	5.44%
Return on Assets (After Tax), %	1.67%	2.06%
Return on Equity, %	21.79%	25.55%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	8,372	7,390
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	2.07	1.22
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	21.29%	20.14%
Off-Shore Banking Unit	71.87%	51.69%

CERTIFICATION:

I certify that the above Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

(Sgd)
G. G. Mangala
Chief Financial Officer

We, the undersigned, being the Chairman and Deputy Chairman of Pan Asia Bank certify jointly that:-

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka ; and
(b) the information contained in these statements are true and correct to the best of our knowledge and belief.

(Sgd)
W. D. N. H. Perera
Chairman

(Sgd)
R. E. U. De. Silva
Deputy Chairman

Date : 02/05/2012

EXPLANATORY NOTES

- (01) The above Financial Statements are drawn up from the unaudited accounts of the Bank, unless indicated as audited. These interim financial statements have been prepared in accordance with the Sri Lanka Accounting Standards existed immediately prior to 1st January 2012 with disclosures (in Note 07) on the impact to the Statement of Comprehensive Income for the period and Net Assets based on LKAS/SLFRS as permitted by the Section 3.1 (b) of CBSL guideline (draft) dated 5th April 2012 on "Adoption of LKAS 32, 39 and SLFRS 7 by Licensed Banks"
- (02) Revaluation Reserve amount in respect of Fixed Assets revalued except Land, Building and Motor Vehicles.
- (03) There has not been significant changes in the nature of Contingent Liabilities which were disclosed in the Annual Report for the year ended 2011.
- (04) There are no changes to the accounting policies and methods of computation since the publication of the Annual Report for the year ended 2011.
- (05) The Bank has subdivided the ordinary shares of 147,520,543 in the proportion of one share for every one share held without increasing the value of stated capital of the bank, and as a result the number of shares increased to 295,041,086 with effect from 02nd June 2011. The comparative ratios have been adjusted retrospectively.
- (06) There are no material events that took place after the Balance Sheet date, which require adjustment to or disclosure in the financial statements.
- (07) Based on the preliminary estimation impact on work completed by the Bank on New Sri Lanka Accounting Standards (LKAS / SLFRS) the following areas have been identified as having significant financial statement impact. Such analysis with its estimated impact is made on a best effort basis and is subject to audit.

Area	Description	*Impact to Statement of Comprehensive Income for the 3 Months Period ended 31.03.2012	*Impact to Net Assets as at 31.03.2012
Impairment of Loans and Advances	All individually significant loans and advances with objective evidences are tested individually while other loans and advances are tested on collective basis for impairment.	Positive impact of Rs.11.98 Mn.	Positive impact of Rs. 15.51 Mn.
Effective Interest Rate (EIR) application on longer maturity deposits	Interest expenses are recognised on effective interest rate basis.	Negative impact of Rs 0.3 Mn.	Positive impact of Rs. 32.15 Mn.

* Excluding deferred tax adjustments.

(08) Market Price of Shares

MARKET VALUE	31/03/2012 (Rs.)		31/03/2011 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Market Value per Share	23.50	--	51.30	--
Highest Price Per Share for the Quarter	26.70	--	61.00	--
Lowest Price Per Share for the Quarter	18.00	--	48.60	--

SHAREHOLDERS INFORMATION

MAJOR SHAREHOLDERS AS AT 31.03.2012

No	Name	No.of Shares	%
1	Mr. K. D. D. Perera	88,482,820	29.99
2	Seylan Bank PLC/ T Senthilverl	29,504,108	9.99
3	HSBC Int'l NOM LTD – UBS AG SINGAPORE Branch (ex. SBC)	27,683,446	9.38
4	Mr. D. C. C. Joseph	17,010,202	5.77
5	Mr. K. D. H. Perera	15,537,332	5.27
6	Mr. P. J. Tay	14,611,996	4.95
7	Mr. K. D. A. Perera	12,800,000	4.33
8	Samurdhi Authority of Sri Lanka	11,114,376	3.76
9	Seylan Bank PLC/ Mr. W. D. N. H. Perera	9,800,000	3.32
10	Sri Lanka Savings Bank Ltd	6,865,666	2.32
11	Royal Ceramics Lanka PLC	4,902,182	1.66
12	Favourite Garments (Pvt) Ltd	2,400,000	0.81
13	DFCC Vardhana Bank Ltd / Mr. R. F. T. Perera	2,000,000	0.67
14	Deshabandu D. M. I. Dissanayake	1,713,600	0.58
15	Sri Lanka Insurance Corporation Ltd - Life Fund	1,394,666	0.47
16	Sampath Bank PLC-Account No.3	1,380,532	0.46
17	Bank of Ceylon No. 1 Account	1,300,000	0.44
18	Esna Holdings (Pvt) Ltd	1,284,700	0.43
19	Michelangelo Footwear Limited	1,153,500	0.39
20	Mr. M F Hashim	1,117,859	0.37
		252,056,985	85.36
	Others	42,984,101	14.64
	Total	295,041,086	100.00

As per the Rule No. 8.7(h) of the Colombo Stock Exchange, percentage of Public holding as at 31.03 2012 is 66.57%

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES AS AT 31ST MARCH 2012

No	Name of Director	No.of Shares
1	Mr. W. D. N. H. Perera	9,800,000
2	Mr. R. E. U. De. Silva	80,000
3	Mr. A. A. Page	139,866
4	Mr. A. G. Weerasinghe	-
5	Mr. J. A. S. S. Adhihetty	108,266
6	Mr. M. D. S. Goonatilleke	422
7	Mr. H. K. Seneviratne	-
8	Mr. T. G. Thoradeniya	36
9	Mr. T. C. A. Peiris (Chief Executive Officer)	10,500

